

Italian Unions Start Strikes On Tax Plan

4-Hour Walkouts In Series of Protests

By Paul Hofmann

ROME, July 9 (UPI)—Italy's powerful labor front began a series of four-hour strikes today to protest against the new tax law decreed by the government in an austerity effort aimed at slaving off national bankruptcy.

The three major trade union groups, acting jointly called on workers in northwestern Italy, Tuscany and Sicily to demonstrate against the law the government is tackling the financial crisis.

In the next few days, similar strikes and protest rallies will be organized by the labor coalition in all other regions of the country. The trade union movement rejects many features of the government's austerity program, announced on Saturday, on the ground that it is based almost exclusively on indirect taxation, like higher sales taxes for meat and other consumer goods and increased rates for gasoline and electricity. It says these levies hit the working class relatively much harder than they do affluent persons.

Proportionate Share

In strike meetings today, labor spokesmen reiterated earlier statements to the effect that the wage-earners realized the need for sacrifices, but insisted that rich Italians bear their proportionate share.

Militant sectors in the labor front—especially the metal workers and building trades unions—keep pressing for a nationwide general strike to demonstrate against the government's austerity package.

However, a more moderate line so far has prevailed in the trade-union movement. Its advocates are telling the rank and file that a long-range strategy of scattered work stoppages and other protests is preferable to keep pressure on the government and induce it to change its social and economic policies.

The cabinet today completed procedures to have the eight decrees in the austerity package speedily ratified by Parliament. The measures are meant to raise about \$5 billion in revenue during the next 12 months.

Romanian Defects

MODENA, Italy, July 9 (UPI)—A Romanian musician who came to Italy with a Romanian symphony orchestra has asked for political asylum, the police said yesterday. He was identified as Oheroghe Pante, 49, of Minisau.



SALUTE—West German border guard presenting arms as French President Valéry Giscard d'Estaing arrived at the presidency in Bonn for talks with Walter Scheel.

U.K. Labor Party Loses MP And Its 12% Margin in Polls

LONDON, July 9 (Reuters)—Britain's minority Labor government suffered two blows today as the party lost an MP and its 12% margin in the House of Commons to two seats and increases the Liberal party strength to 15 in the 635-seat house. The Liberals have been urging a government of national unity to pull Britain out of its economic crisis.

The Labor party continues to reject any coalition, but the public opinion poll published today—the first in some weeks—seemed certain to revive speculation about coalition possibilities. According to the poll, Labor has lost a 12 per cent lead it enjoyed in June.

The poll said that each of the two now has 37 per cent support, the first time they have been evenly rated since the Feb. 28 election. The Liberals have increased their backing from 18 to 22 percent.

All other polls since the election have shown Labor with a big lead.

A voting pattern similar to the poll would deny either main party a governing majority. The prospect of another stalemate might lead to the postponement of an election, despite recent signs from Labor ministers that one is virtually inevitable after the summer vacations.

He said that he was not convinced that a clear Labor majority at the next election—barring expected in the autumn—would be in the country's best interests. He said he would give up his south London seat of Woolwich East eventually and would seek a new one as a Liberal candidate.

He was navy minister in 1966 but resigned when a previous Labor government decided against building an aircraft carrier to pursue an "east of Suez" policy. Labor party officials shrugged off Mr. Mayhew's defection, calling it a right-winger. His departure cuts Labor's effective margin over the Conservatives in the House of Commons to two seats and increases the Liberal party strength to 15 in the 635-seat house. The Liberals have been urging a government of national unity to pull Britain out of its economic crisis.

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EEC Goals Set By Schmidt And Giscard

Economic Issues Put Before Political Unity

By John M. Goshko

BONN, July 9 (UPI)—West German Chancellor Helmut Schmidt and French President Valéry Giscard d'Estaing agreed today that the European Economic Community should put its first emphasis in the months ahead on resolving the myriad economic difficulties besetting the Common Market.

Both leaders reaffirmed their commitments to such long-range goals as the achievement of political unity by 1980.

But they also made it clear that the successful pursuit of such ends requires resolution of the more immediate problems that have plagued the community into disarray in recent months.

These include the financial crisis in Italy, the demand by Britain for renegotiation of its terms of entry into the community, the uncertainties of the energy squeeze and the mounting inflation throughout Western Europe.

Mr. Schmidt and Mr. Giscard d'Estaing held their two days of talks here as part of the twice-yearly consultations called for under the 1955 French-German treaty of reconciliation. It was their second exchange of visits since they assumed the leadership of their respective governments in May.

The two have been close personal friends since their prior service as finance ministers in the Bonn and Paris regimes. Although they gave no really concrete indication of what joint initiatives they may be planning to take in European affairs, the visit was marked by an unmitigated aura of cordiality and lack of tension.

This was in marked contrast to some of the visits exchanged by their two predecessors, former German Chancellor Willy Brandt and the late French President Georges Pompidou.

Despite a patina of friendliness, Mr. Brandt and Mr. Pompidou, especially during the last two years, had been unable to conceal frequent sharp differences between their governments.

Among the Schmidt-Giscard decisions made public today was a determination to coordinate more closely the anti-inflation measures of their two governments.

They also expressed hope that the recently launched dialogue between the EEC and the Arab world—a move designed to safeguard Western Europe's oil supplies—will soon move into a "concrete phase" leading to "practical results."



GIFT—Tanzanian President Julius Nyerere handing over a check for \$119,500 to a smiling Samora Machel, president of the Mozambique Liberation Front (Frelimo), at a rally yesterday in Dar es Salaam. Mr. Nyerere said the money, donated by Tanzanians, would be used to help Frelimo win Mozambique's independence from Portuguese rule.

With 16-Vote Majority in Commons

Trudeau, Liberals Win Control in Canada

(Continued from Page 1)

Victory was the apparently positive voter response to Mr. Trudeau's efforts to turn himself into an old-fashioned rough-and-tumble campaigner, in a style quite different from the lofty, intellectual approach he took in his 1968 and 1972 campaigns.

His descent into what he called the "bear pit" cost him the support of many intellectuals, but the general electorate apparently approved it heartily.

Tory Strategy

Also aiding the Liberals were the poor strategy and ineffectual image of the Stanfield campaign, although the Tory leader had seemed to regain the offensive in the last few days.

The Liberal trend even cut into the traditional Conservative hold on the four Atlantic Maritime provinces, taking four seats previously held by the Tories.

Mr. Stanfield, a former premier of Nova Scotia, easily retained his own seat but was unable to bring about the defeat of a maverick Tory against whom he had waged a special campaign. Mayor Leonard Jones of Moncton, New Brunswick, Mayor Jones opposed the Conservative party's drive to give French an equal status with English in the federal government.

It was in the prosperous and heavily populated province of Ontario that the Liberals made the comeback that gave them a clear majority. They raised their representation there from 36 to 57, picking up 10 seats in the Toronto metropolitan area alone. The Conservatives declined from 40 seats to 24 in Ontario and the New Democrats from 11 to 7.

The Liberals were even able to re-elect Labor Minister John Munro with a comfortable majority in Hamilton, Ontario, despite a controversy over the large number of patronage jobs he admitted giving to his supporters after the 1972 election.

Minister of External Affairs

Aides Resign In Portugal

(Continued from Page 1)

ed on orders from Gen. Francisco Costa Gomes, the military chief of staff.

Gen. Costa Gomes issued a communiqué before the demonstration, urging people not to attend. The communiqué also indicated discipline problems within the armed forces by warning against "incitements and insubordination in quarters."

Earlier, Gen. Costa Gomes denied reports of troop movements yesterday. "There has been no movement of troops in or around Lisbon," he told newsmen.

But he confirmed that there was a partial "state of prevention" confining some troops to barracks. This was a routine measure, he said.

Warning

The communiqué issued by Gen. Costa Gomes decried "controversial demonstrations" as being against the armed forces and warned that they create an emotional climate that could lead to confrontation.

The government yesterday permitted 10,000 civil servants to demonstrate outside the National Assembly as a protest against a new law that they said made pay raises inequitable. The government later announced that it was rescinding the law.

The demonstration today was billed in advance as "against the anti-strike army."

Two Lisbon newspapers were fined last week for publishing stories about a demonstration June 29 in support of the two military officers who refused orders to act against workers during a strike.

The government has banned some demonstrations in its African colony of Mozambique but never in Lisbon before.

(Continued from Page 1)

Mitchell Sharp, who was also expected to lose in Toronto because of the supposed defection of the Jewish vote, was easily re-elected, as was Energy Minister Donald MacDonald, another prominent cabinet member considered to be in trouble.

As usual, the Liberals won the

lion's share of the 74 seats in French-speaking Quebec. Their dependable power base. The Tories picked up a couple of seats there, but these gains were more than offset by Liberal victories in Quebec over the declining rightist Social Credit party.

(Continued from Page 1)

that "the Netherlands is a prosperous country," but that in recent years its defense expenditures have declined, both in relation to its gross national product and the national budget.

The committee said that if the proposed cuts were carried out, they will lead to a defense contribution far less than should reasonably be expected from a country with the resources of the Netherlands.

It noted that Dutch Defense Minister Benk Vredeling had given assurances that plans for reducing the "ready strength" of the army would be suspended until the conclusion of the East-West force reduction negotiations in Vienna.

In a passage intended to soften the impact of its criticism, the NATO committee said the allies welcomed the willingness of the Dutch government to continue consultation on all aspects of its defense plans after its white paper has been published.

But the committee urged the government to take the views of other alliance governments into "serious consideration."

The task of formally informing

Mrs. Klarsfeld Gets 2 Months For Attempt to Kidnap Nazi

(Continued from Page 1)

in the courtroom rose to their feet, singing "La Marseillaise." The house outside the courtroom was thronged with demonstrators, many of them French and German survivors of concentration camps. They carried signs denouncing "the German travesty of justice" and demanding that Lischka rather than Mrs. Klarsfeld be tried.

Defining the Issue

The three-judge court, in rendering its decision, said that the only issue was whether Mrs. Klarsfeld had violated West German law by participating in an assault against Lischka.

In reading the court's opinion, presiding Judge Viktor de Somos-

ky characterized Mrs. Klarsfeld as a woman whose "ideology and good intentions had been transformed by hatred into fanaticism." The court, he said, had no choice other than to follow the law's "explicit instruction" that "no one has the right to imperil the rights of others."

He rejected the prosecution's recommendation that she be given a six-month suspended sentence but he reduced the two-month sentence by the 22 days she served in pretrial detention. And he intimated that if Mrs. Klarsfeld should appeal and give assurances of good behavior the court might change its mind about suspending the sentence.

Following the verdict, Mrs. Klarsfeld left for France with the court's permission to ponder a decision about appealing or returning to serve her sentence. There was some speculation that she might simply not come back to West Germany.

There was also considerable speculation about whether Chancellor Schmidt will be "able" to make good on his promise to get the agreement with France ratified by the Bundestag. Such a move could bring him into conflict with the Free Democrats party, the coalition partner of Mr. Schmidt's Social Democrats.

In the past, powerful forces in the Free Democrats ranks have argued that questions of war guilt should be forgotten on humanitarian grounds.

4 Jailed in Baltimore On IRA-Arms Charge

BALTIMORE, July 9 (AP)—Four men were sentenced here yesterday to six years in jail for having weapons illegally for the Irish Republican Army.

The four, who could have been sentenced to from 10 to 40 years, are: Klarnan McMahon, 36, of Silver Spring, Md.; Francis Larkin, 35, of Riverdale, Md.; and Henry Hillick, 31, and James Conlen, 34, both citizens of Northern Ireland.

The men were convicted in late May on charges of obtaining AR-15 rifles and blasting caps, and of attempting to obtain machine guns and plastic explosives.

Tokyo Policy, Cabinet Seen Not Changing

Despite Vote Setback For Tanaka's Party

By Fox Butterfield

TOKYO, July 9 (UPI)—The ruling Liberal Democratic party's setback in Sunday's elections for the upper house of parliament continues a decade-long trend in which the conservatives have steadily lost popularity but have retained control of the government.

Leaders of the party said today that the mixed outcome probably would not result in any immediate changes in personnel or policy in Premier Kakuei Tanaka's cabinet. But Mr. Tanaka's chances to win re-election next year for another three-year term as party president, and thus as premier, appeared to have been jeopardized.

And in broader terms, the upper house results cast doubt on how long the Liberal Democrats can continue their quarter-century of dominance over both houses of the Diet (parliament). Elections for the lower house, where the real legislative power resides, are considered likely early next year.

Nearly complete returns showed that the Liberal Democrats emerged with 62 seats, or eight less than they held before the election. Sixty-three seats were required for a majority in the chamber. About half of the seats in the 262-member upper house were up for election.

Without Endorsement

However, the figures are somewhat misleading, because two of the eight successful independent candidates were Liberal Democrats who ran without party endorsement and another is closely allied with the conservatives.

Added to the 64 seats the Liberal Democratic party already held in the other half of the upper house, the election gave the conservatives a slim majority of six, including the unendorsed pair and the party ally.

The LDP's percentage of the popular vote was even more disheartening for Mr. Tanaka, who had staked his prestige on the elections by intensive campaigning.

Under the complex system in which part of the candidates were elected from the nation at large and the others chosen by prefecture, the Liberal Democrats got only 39.5 per cent of the 21 million ballots cast for the local districts.

Points Lost

It was a drop of 4 1/2 percentage points from the 44 per cent they scored in the previous upper house elections, in 1971. It also contrasted badly with the 48.8 per cent they won in the last lower house elections, in 1972.

The conservatives' popular vote has been dropping since 1960, but seldom by more than a point or 2 at a time.

The LDP did manage to poll 44.3 per cent of the ballots in the separate races from the nation at large. But specialists tended to discount those figures since the national candidates were largely well-known personalities, such as movie stars, labor union leaders, and writers, who were selected on an individual rather than a party basis.

Popular Vote

Among the opposition parties, surprisingly only the Komeito, a clean government party that is the political wing of the militant Soka Gakkai Buddhist sect, and the independents improved their percentage of the popular vote.

The major issues in the election, which set a postwar record for voter turnout, were Japan's annual 5.5 per cent inflation rate, the highest in the industrialized world, and the nation's major corporations to raise millions of dollars in campaign funds and to force employees to vote for the conservatives.

The conservatives countered by appealing to voters to "defend free society" against the danger of "Communist dictatorship."

3 EEC Officials Admit Problems, Call for Progress

STRASBOURG, July 9 (Reuters)—The presidents of all three Common Market institutions appealed today to the community for efforts to achieve progress.

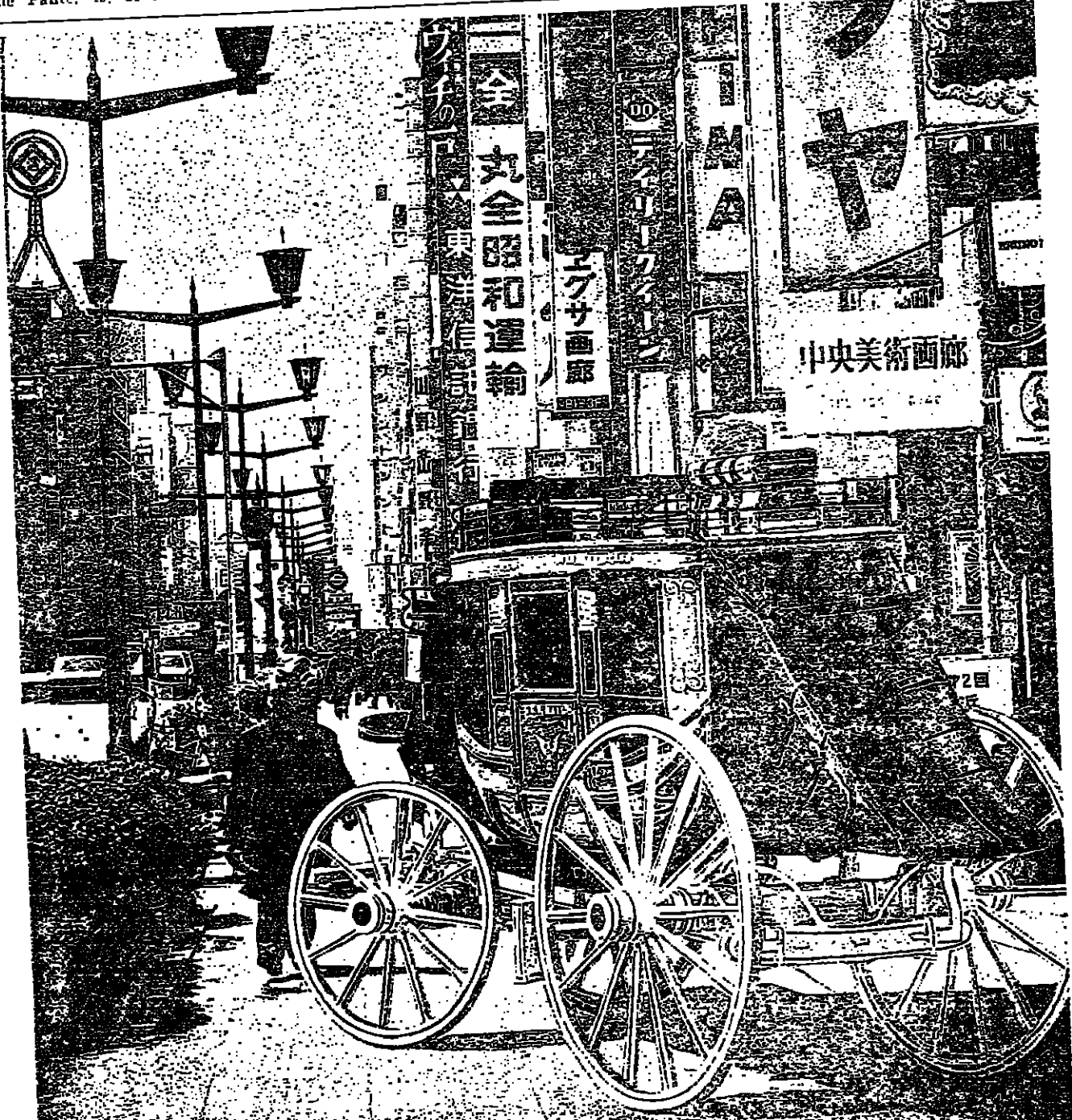
The three—French Foreign Minister Jean Sauvagnargues, German President of the Council of Ministers—François-Xavier Ortoli, head of the EEC Commission, and Cornelis Berkhout, the European Parliament chairman—were the first speakers in a special two-day parliamentary debate on the state of the community.

While all three agreed that there were formidable obstacles facing the community, they also said there were signs that the community was again on the move.

Mr. Sauvagnargues said the steel price increases for oil and raw materials had put severe pressure on the economies of the nine members, pressures that could be reduced only by working together.

Mr. Ortoli said the EEC was functioning better than it had a few months ago.

Berkhout said 1974 should be a year for Europe to catch up after the stagnation of the last 12 months.



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Moroccan Bid For Sahara Is Renewed

Hassan Urges Spain Give Up Its Colony

RABAT, Morocco, July 9 (UPI).—King Hassan II said last night that Morocco will devote the year 1975 to the liberation of Spanish Sahara, southwest of Morocco.

The King, in a speech on Youth's Day, brought to a climax a recent diplomatic and press campaign devoted to the removal of Spanish control from Spanish Sahara, a colony that Morocco has demanded repeatedly for several years.

"This year will be a year of mobilizing, both inside the kingdom (of Morocco) and outside, to liberate the still occupied Moroccan territories," the King said in his speech broadcast throughout the kingdom.

Moroccan leaders yesterday summoned all ambassadors to inform them of Morocco's disapproval of Spain's plan to grant internal autonomy to the populations of the two districts of Spanish Sahara.

The King in his speech said Morocco was endangered by "the creation of a puppet state" which he said would be a "permanent menace to the Moroccan people."

Appeal to Inhabitants

The King appealed to the 425 inhabitants of the area to be on guard against the consequences of the policy planned by Spain for the region.

King Hassan did not indicate whether Morocco would use diplomatic or military means to try to end Spanish rule. He said Morocco had made several approaches to Madrid "to find a peaceful solution to the problem, all in vain," but he expressed the hope of solving the question "by dialogue."

The King said Arab, Muslim and African countries supported Morocco's position "and the future will permit us to judge our friends and our enemies."

The territory of Spanish West Africa was divided into Ifni and Spanish Sahara in January, 1958. In 1969, Ifni was returned to Morocco by Spain.

Spain continued to rule the 102,880-square-mile Spanish Sahara, on the northwest coast of Africa, consisting of two districts, Sakia el-Hamra and Rio de Oro, which is rich in phosphate deposits.

Moroccan Premier Ahmed Osman yesterday summoned ambassadors from the UN Security Council's member states to discuss Morocco's Sahara claims.

Fifty-five other ambassadors were called to confer with Rudi Mohammed Salami, the temporary foreign minister, government officials said.

Chess Tourney Excludes Czech

SOLINGEN, West Germany, July 9 (AP).—Exiled Czech grand master Luděk Pachman was dropped yesterday from the Solingen international chess tournament following a boycott threat by ex-world titlist Boris Spassky, the organizers reported.

Spassky, a Russian grand master, and East German grand master Wolfgang Uhlmann told organizers they had been ordered by their national federations to quit the tournament if Pachman were allowed in.

A supporter of deposed Czech political reformer Alexander Dubcek, he was allowed to emigrate to West Germany in 1972.



RECORD CLAIMED—Lars Gierth of Houston holding his "Skyhook-8," a diesel-powered, radio-controlled model plane that remained airborne for 14 hours and 23 minutes Sunday night and Monday morning—claimed as an endurance mark for model airplanes.

Mexicans Await X-Rays to Find If Body Is Missing U.S. Consul's

HERMOSILLO, Mexico, July 9 (AP).—Mexican authorities are awaiting dental and bone X-rays from the United States to determine if a skeleton found near here is that of an American diplomat, John Patterson, missing more than three months.

The doctor in charge of identifying the remains, Laureano Sireval, said there was a slight bone fracture of the right foot. Bone X-rays from Mr. Patterson's doctor in the United States were expected tomorrow, along with dental X-rays from Philadelphia, his home town.

Dr. Sireval said that preliminary tests of the remains indicate that the person died about three months ago. The skull was crushed.

A gold ring found on the skeleton bore the initials JLP and AML, A U.S. Embassy source said. Mrs. Patterson reported "she knows" the ring. Mrs. Patterson's maiden name was Andrea M. Latour. Mr. Patterson's middle initial is "S," according to U.S. officials.

There was no explanation why the ring, if it was Mr. Patterson's, would have a middle initial of "L."

Mr. Patterson was last seen March 23 as he left the U.S. Consulate in Hermosillo, where he was vice-consul in charge of agricultural affairs. A ransom note left at the consulate demanded \$500,000, according to U.S. government sources in Washington.

Jordan Is Said To Be Planning Name Change

KUWAIT, July 9 (AP).—Jordan is preparing to change its name from the Hashemite Kingdom to the United Arab Kingdom, the Kuwaiti newspaper Al Watan reported today.

The paper, quoted reliable sources as saying that the Jordanian Embassy in Kuwait had received instructions to prepare for a change of Jordanian passports to carry the kingdom's new name.

If correct, the report would indicate that King Hussein has decided to go ahead with a plan he proposed 15 months ago to make the Israeli-occupied West Bank area of Jordan an autonomous state federated with the rest of Jordan.

Official sources in Amman denied the report, but declined comment on whether Jordan is contemplating such a move.

As His Troops Retake Oudong

Lon Nol Asks Rebels to Talk 'Without Prior Conditions'

PHNOM PENH, July 9 (AP).—The Cambodian government today invited the insurgents to negotiate "without prior conditions" to find a solution to the present conflict.

Such negotiations, the government said, would be held "at a place and time agreeable to the two parties."

The peace bid was made as government troops recaptured the 17th-century royal capital, Oudong, encountering only scattered resistance from withdrawing insurgent troops.

The town, almost totally destroyed, had been the target of a two-month government drive North of Phnom Penh along Highway 6.

The appeal for peace, political sources say, was made without any prior contacts with or commitment from the Khmer Rouge. It was issued by President Lon Nol at a meeting of military, political and religious leaders at his Phnom Penh residence.

The President said it is his hope the proposed dialogue with the rebels would lead to a ceasefire, withdrawal of all foreign troops from the country, unity and national reconciliation.

"All questions which divide the Khmers are subject to discussion," President Lon Nol told 100 assembled leaders.

Diplomatic and political figures were doubtful that the Khmer Rouge would accept the proposal for unconditional talks. A prominent Western diplomat said, "It is aimed more at putting the other side on the diplomatic defensive."

But another diplomat was more optimistic. "This could be a watershed statement," he said. "There are 'pegs' in peace negotiations, and this is the first 'peg'."

In his ten-minute speech, the Cambodian President said the insurgents' goal remains "to win

a military victory," because "there remains no possibility for them to win in the political domain, because they have so deeply alienated themselves from the Khmer people in the regions they occupy."

As other Cambodian political figures and some diplomats have done in recent days, President Lon Nol said Khmer Rouge failures to achieve any major success in their dry-season offensive have led to a stalemate on the battlefield.

"Our troops have taken the initiative on several fronts, and they have made major progress," the President said in reference to a 5,000-man push north of Phnom Penh in the last month. "We can state that everywhere else our forces are containing the enemy with success."

In South Vietnam, meanwhile, heavy fighting erupted in the central lowlands, and government forces said 85 North Vietnamese and Viet Cong were killed, the Saigon military command said.

A communiqué said Communist-led forces shelled and assaulted a government infantry battalion, numbering about 400 men, west of Buon Me, a town 180 miles northeast of Saigon.

The attack was repulsed by government forces with the help of artillery, the command said. It listed government casualties as 12 infantrymen killed and 12 missing.

North Vietnamese forces in Laos, Radio Vietnam reported.

The report coincided with police action to stop crowds of demonstrators from entering the National Assembly to sign a petition calling for withdrawal of North Vietnamese forces.

U.S. Poll Finds UN Rating Up, Despite Doubts

NEW YORK, July 9 (AP).—Pollster Louis Harris says a recent survey shows 78 per cent of those Americans polled think the United Nations is "worthwhile," but by a narrow 47-46 margin they gave the United Nations negative marks on "working for peace."

Mr. Harris said the survey, of 1,503 households across the United States, showed that backing for the UN has risen from a low point in 1970, when a 56 per cent majority gave an overall negative rating.

The new poll showed rejection by 39-18 per cent of Israel's charge that the UN is pro-Arab, and by 57-20 per cent of the charge by some UN opponents that "the United Nations generally works against the interests of the United States."

After Mr. Harris's visit last September to Washington, the White House said that President Nixon had decided not to relax an arms ban imposed during the India-Pakistan war in 1971.

The Prime Minister said yesterday that he was "not disgusted, not in a state of panic" about Washington's policy.

Mr. Bhutto said he felt that "sooner or later" Washington would "come to the correct position" on resuming arms deliveries. He declined to say whether he had received any indication when this might happen.

He did not directly relate to India his new call for arms. But, discussing U.S. policy in the Middle East, he said, "If Israel can lump it, surely India can lump it." Mr. Nixon promised Egypt nuclear power for peaceful purposes during his visit to the Middle East.

Mr. Bhutto said he needed to buy American arms because it was surrounded by nations that were arming themselves, including India, Afghanistan and Iran.

India, the Prime Minister said, recently began to move large numbers of troops to the areas of Kashmir it controls. He said

Ending Ban Imposed in 1971

Bhutto Asserts U.S. Is Obligated To Give Pakistan Arms Aid

By James F. Clarity

RAWALPINDI, Pakistan, July 9 (NYT).—Prime Minister Zulfikar Ali Bhutto said yesterday that the United States has an obligation to resume the shipment of arms to Pakistan.

Mr. Bhutto made it clear that he was accelerating his efforts to rearm this country with U.S. help. He said in an interview here that Pakistan was the only U.S. ally that was being denied arms.

"We are entitled" to arms, he said. "There is a legal obligation. Otherwise, the United States should renounce" the arms agreements it has signed with Pakistan.

Arms Banned in 1971

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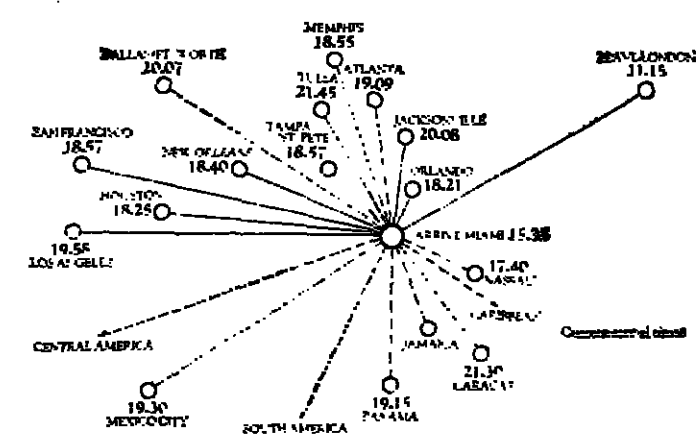
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Canada's 'Vital Process'

In a world where democratic governments have become increasingly paralyzed by a polarized electorate, there was more than national significance in Pierre Elliott Trudeau's thanks to the Canadian people for making the election "such a vital process for us." For Canada to have obtained, in this time of global uncertainty, when it has itself so many capacities for division, a government which can genuinely claim national leadership, is good for Canada and a model for other states.

To be sure, Mr. Trudeau has a very general mandate because he waged a very generalized campaign. Inflation was a great Canadian concern (as it is in all countries). Mr. Stanfield, the drily uninspiring Progressive Conservative leader, proposed a head-on attack upon inflation, with a freeze on incomes and prices, followed by controls. Mr. Lewis, the stormy head of the socialist New Democratic party, concentrated on prices, and the multi-national corporations. Mr. Trudeau denied that there was any easy answer to a global problem and asked for a vote of confidence in his party and himself. And he got it.

No one expected him to—at least on the scale of 16 seats more than the combined opposition and seven more than an absolute majority in Ottawa. And there will be much analysis of all the factors, economic, ethnic and in terms of personality, which brought the great surprise. But the fact remains

that Mr. Trudeau swept the most populous provinces of Canada—Quebec and Ontario; made gains in the Maritimes, and even recaptured some seats in the Far West. Conservative strength remains in the Prairie provinces; the strength of the NDP has been almost halved (Mr. Lewis was defeated in his own constituency) and the populist Social Credit party is weakened in its present citadel, Quebec. Canada can be governed on a national scale.

It will not be easy. Canadian federalism is loose by modern standards; the provinces have more autonomy than U.S. states, and the subjects of division remain many and serious. Although muted during the campaign, the question of the "French fact"—especially as it relates to bilingualism—is far from resolved. And can Canada develop a national resources policy when the provinces assert so much authority over, say, oil from Alberta, or minerals, timber and water power in British Columbia? Then there are relations with the United States, about which there is a generally defensive acceptance of Canadian nationalism in Canada, but one which varies in intensity and specifics across the continent.

Nevertheless, Mr. Trudeau has a mandate, and a majority to make it work in Ottawa. He is not, as was the case after the 1972 elections, forced to seek support from a minor party for every step, and can create a policy. For that, Canada—and its neighbor to the south—can be grateful.

Rebuff for Mr. Tanaka

Japan's voters have administered an unexpectedly sharp setback to Prime Minister Tanaka and the Liberal-Democratic government in a record turnout for elections to the Upper House of the Diet. This is the major significance of the voting even if final returns give the ruling party, a slim majority in the 252-seat House of Councillors.

Despite an inflation rate pushing 25 per cent annually, the highest in any industrial country, Mr. Tanaka had hoped to increase his party's nine-seat majority in the Upper House. His chances looked better after four opposition parties failed to agree on a common slate of candidates. As it turned out, each of the three biggest opposition groups—the Socialists and Communists on the left and the Buddhist Komeito—scored modest gains.

Voters evidently were provoked not only by Mr. Tanaka's failure to curb inflation but

by the lavish financial support provided for Liberal-Democratic candidates more openly than ever before by Japan's big corporations. Concern about environmental problems, exacerbated by the country's rapid industrial development, and about the government's potential threat to freedom of press and assembly may also have contributed to Mr. Tanaka's losses.

The Liberal-Democrats retain a comfortable majority in the House of Representatives, where the real parliamentary power resides, but the results of Sunday's vote for the upper chamber will jeopardize Mr. Tanaka's plans to run next spring for a new three-year term as party president, and thus as prime minister. In any event, the Japanese have demonstrated the health of their 27-year-old democracy system with a voter turnout of 73 per cent, a record for Upper House elections.

THE NEW YORK TIMES.

The Science Gap

From the energy crisis to Soviet MIRV multiple warhead missiles, the United States today is confronted by a plethora of dangers that with foresight might well have been headed off. Failure to perceive the true dimensions of these threats and to act upon them in time reflects, in part, the absence of an effective system for funneling top-grade scientific advice directly and quickly to the White House.

The system of a Presidential Science Adviser with direct access to the Chief Executive—aided by an Office of Science and Technology and a broad-gauged advisory committee drawn from the nation's most eminent researchers and engineers—was initiated by President Eisenhower after the Sputnik scare of 1957. It was expanded by President Kennedy, fell into disuse toward the end of the Johnson administration, and was eventually abolished by President Nixon.

Questions of armament and disarmament, which dominated the work of the President's science advisers in the Eisenhower administration, were turned back to the Pentagon, the Atomic Energy Commission and the Central Intelligence Agency. Civilian science problems were relegated to the National Science Foundation, whose chief lacks direct access to the President.

Would the United States, given better scientific advice to Mr. Nixon, have rushed ahead with MIRV multiple warheads—which it invented and which now endanger the United States—deploying more than 5,000 before opening serious negotiations

with the Russians on MIRV limitations? Would not action have been undertaken years ago to deal with the energy, food and transportation shortages that have been long predicted and are now upon us? No one can be sure that the scientists would have been more far-seeing than other policymakers or that the President would have taken their advice, but the chances would certainly have been improved.

The need for an "early warning" system on science-related policies is one of the major arguments for revival of high-level science advisory machinery in Washington. It is the view urged on the President by a blue-ribbon panel named by the National Academy of Sciences to study the problem.

The panel, headed by Dr. James Kilgus, former president of the Massachusetts Institute of Technology, proposes creation of a three-man council for science and technology with a policy role similar to that of the Council of Economic Advisers. Its chairman, with direct access to the President, would be a member of the Domestic Council, could attend meetings of the National Security Council, advise the secretary of state on foreign policy matters affected by scientific considerations, work closely with the Office of Management and Budget in setting priorities for the government's vast research expenditures and make an annual public report. This is one of the reforms of the Washington administration that is urgently needed.

THE NEW YORK TIMES.

International Opinion

Makarios and the Greeks

If Makarios gets rid of the Greek agents who prop up his Enosis enemies, that should give Turkish Cypriots more courage to negotiate for themselves, not jerk nervously every time Ankara pulls a string. In any case, the Greeks have played all manner

of dirty tricks and richly deserve their comeuppance. Cyprus, however, is always more complex than it looks: Witness Makarios's reluctance publicly to abandon the idea of union with Greece no matter how much he rails at the traitors and murderers of the present regime.

—From The Guardian (London).

In the International Edition

Seventy-Five Years Ago

Fifty Years Ago

July 10, 1899
PARIS—According to the Figaro, Captain Dreyfus yesterday asked to have made the uniform of a captain of artillery, which he wishes to wear when he appears before the court-martial. The master tailor of the 7th Regiment of Artillery is going to make one for him. Captain Dreyfus was brought back to France, from the Ile du Diabole, as his case is being re-examined.

July 10, 1924
NEW YORK—Mr. John W. Davis, of West Virginia, former United States Ambassador in London, was nominated by the National Democratic Convention today as its candidate for President. The nomination came by acclamation on the 103rd ballot, after the bitter fight and the most protracted struggle that has ever shaken the national convention of any party in America.



A Highly Dangerous Smell

By C. L. Sulzberger

PARIS—President Tito of Yugoslavia is now in Bucharest conferring with Nicolae Ceausescu, his Romanian colleague, and although—as neighbors, unorthodox Communists, and highly independent-minded leaders—they are always interested in each other, this time they have more than usual to discuss. The main burden of their colloquy: What to do in a time of troubles?

Curiously ominous signs have cropped up this spring. First a rumor appeared in Vienna that the Soviet-led Warsaw Pact was contemplating an invasion of Yugoslavia (presumably when the 82-year-old Tito dies, called "Pian Polaris"). This rumor foretold an attack by Czechoslovakian and Soviet troops heading southward across Austria, whose territory would be violated.

To me this sounds like blatant nonsense because at the very least it would smother East-West détente, to which Brezhnev is committed, and at the probable worst it could touch off World War III. Nevertheless, Marshal Yakubovsky and General Shchennikov, Russian numbers 1 and 2 of the Warsaw Pact, have been circulating Europe in a series of conferences with local commanders and defense ministers.

Into Bulgaria

Most important perhaps was an unadvised visit to Bucharest by Yakubovsky. Following this the Romanians (who are themselves no slouches at rumor-mongering) put out the report that Moscow was demanding extraterritorial rights to a corridor leading through the Rumanian Dobruja (a province on the Black Sea) connecting the Soviet Ukraine with Bulgaria.

All this talk has touched off speculation that the Russians want to move troops into Bulgaria (where they have none). Todor Zhivkov, the Sofia boss, referred last March to an idea but refrigerated idea of incorporating Bulgaria into the U.S.S.R.

Nowadays one knows—especially in the traditional Balkan theater—that it is not always necessary that where there's smoke there's fire. Yet, silly as they sound, one should not dismiss such rumors offhand.

To begin with, Moscow still smarts at the memory of Tito's brave stand, starting in 1948, when he rejected Soviet hegemony. Many Russian leaders wish to regain control of Yugoslavia—especially now, since the loss of Egyptian naval facilities. That makes Belgrade's Adriatic bases even more valuable to a weakened Soviet Mediterranean fleet.

Gained Credence

Moreover, the West has assumed for a long time that, when the redoubtable Tito dies, Moscow will seek in one or another way to corral this heretofore Communist nation back to orthodoxy and the Warsaw Pact. This assumption gained credence in 1969 after the Russians forcibly seized Czechoslovakia.

Paris, the most prevalent worry is not that the Kremlin would sponsor an outright invasion—despite the fact that it pretends to this privilege under the Brezhnev doctrine permitting interference within the U.S.S.R.'s allies. A more usual theory is that carefully planted agents might stir the ashes of nationalism among the various Yugoslav peoples and then request Russian intervention to "restore order."

Yet the U.S.S.R. certainly would like to reaffirm its dominance over Yugoslavia, thus gaining Adriatic strongpoints, a military border with NATO Italy (already in the midst of crisis) and outflanking neutral Austria and protecting Hungary. Moreover, the Yugoslav Convention today as its candidate for President. The nomination came by acclamation on the 103rd ballot, after the bitter fight and the most protracted struggle that has ever shaken the national convention of any party in America.

Washington is fully alert to the problem and—in no uncertain terms—has cautioned Moscow to lay off, warning that pressure would promptly produce "serious trouble" with the United States. The question is, will the Kremlin wholly believe this? After all, the only Western response to the 1968 rape of Czechoslovakia was a not-too-loud "He on you."

The very least the West should do, given the new swift of Balkan danger—and, anyway, given the certainty that, although histori-

cally immortal, Tito is physically mortal—is to draw up allied contingency responses in case of trouble.

One of these must without question include diplomatic pressure on Turkey and Greece, and their bickering over offshore oil. Moreover, as far as Greece alone is concerned, it must be prodded back to the regular and more liberal form of government which the alliance club expects of its members.

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Nixon Case Moving to a Crunch

By David S. Broder

WASHINGTON—With the oral arguments before the Supreme Court completed and the parade of witnesses before the House Judiciary Committee coming to an end, the case of Richard Nixon is moving inexorably toward its first real climax: The House vote on impeachment.

No one knows what the outcome of that vote will be, for it depends on the weight of the evidence the committee has still to assemble in coherent fashion. But the political ramifications of the pending decision are beginning to come into clear focus.

If the House votes to impeach Mr. Nixon, there would be little need to revise the widespread predictions of significant Democratic gains in the November election. In truth, those predictions are premised on an unfavorable verdict against the President.

But suppose the House goes the other way? Suppose there are few Republican defections and that enough Democrats cross the line to exonerate Mr. Nixon of every charge leveled against him by the Judiciary Committee in its expected bill of impeachment? Legally, that would be the end of the matter. The cloud over Mr. Nixon's future would disappear and he could go back to being a full-time president. Congress could go back to legislating. Messrs. Dow, Jenner and St.

Clair could return to their law firms.

But politically, the fireworks would be starting, for anyone can see that a drawn-out fight as Watergate itself would begin no more than 24 hours after a House refused to vote impeachment.

The first reaction would probably be a wave of recommitments within the House itself—with the anti-impeachment majority leaning out against the Judiciary Committee members for spending \$15 million and uncounted thousands of man-hours to produce an indictment so weak that the House itself would not sustain it.

But that reaction would be a passing ripple compared to the tidal wave of public sentiment that would sweep over the Congress if the House voted against impeachment.

Mr. Nixon's spokesmen have already made the accusation that the impeachment investigation ordered by the Democratic leadership last October is nothing but a partisan assault on the integrity of the presidential office. If the Judiciary Committee were repudiated by a majority of the 248 Democrats and 187 Republicans in the House—no matter in what proportions—the White House charge would surely have been proven to the public's satisfaction. The President's supporters in the country would cry vengeance.

Letters

Issue of Ethics

It is a matter of contention to certain individuals that if we close our eyes long enough and hard enough, those things which are least pleasant or more apt to make us squirm in our seats will eventually resolve as of themselves.

It is this most convenient attitude of "benign neglect" that these same people would have the press adopt in order to tune down—or off—the Watergate volume. I, for one, will continue to count on our newspaper for complete and objective coverage on all matters pertaining to Watergate, for above and beyond an issue of politics, it has evolved into one of ethics.

M. L. RONGATO.

Palestinians

Walter Sheldon (Letters, June 29) obviously considers himself a good friend of Israel. By describing Israel as a "client state," however, he tries to perpetuate the ugly cold-war myth that Israelis are pro-Western "goodies" and Arabs pro-Russian "baddies"—leaving aside the Palestinians who for Mrs. Golda Meir and too many others simply do not exist.

To encourage Israel "hawks" to imagine that the Palestinians will somehow simply disappear is to be a false friend to the Jews of Palestine. In 1917 the Arabs formed 92% of the population of Palestine, as late as 1946 more than two-thirds, and suffering have intensified rather than diminished a sense of nationalhood. This is a fact whether we like it or not. Un-til their rights and aspirations are recognized there will be wars at regular intervals with ever increasing stakes. Let us not forget that Russia as well as the United States has com-

mitments in the Middle East. Jews in Palestine should reflect that if the United States is faced with the alternative of Armageddon or the abandonment of its "client state" it may well flinch.

Would they not be better advised to accept the idea of negotiations with "terrorists" or "resistance forces" if you prefer the other side of the coin, recognizing that the Palestinians have claims just as the Jews of Palestine cannot simply be made to go away? Any resulting settlement would involve immense concessions by both sides but it would be better than the present ostrich policy which seems to consider wars at five-year intervals an acceptable risk.

A great deal of Western support for Israel derives from a guilt complex because we failed to prevent the genocidal holocaust of the Nazi years. The policy we should have followed was to allow unlimited immigration to Western Europe and the United States. Instead we tried to save our conscience at the expense of the Palestinian Arabs. History will not forgive us.

ROBERT SWANN.

Paris.

Proportion

There have been some shattering changes since 1900—such as two world wars, the overthrow of the Czar, development of Communism, the shrinkage of the British Empire, communications revolution with planes and satellite TV, and atomic weapons. Meantime our (expensive) elected Leader recently announced in Brussels that "the changes in the last five years have been the most profound in this century." What a splendid sense of proportion! RUSSELL M. PELTON. Brussels.

Kissinger Proposal

A Debate in the Dark

By Flora Lewis

LONDON—The shape and the problems of the developing U.S. debate on nuclear arms agreements with the Soviet Union have begun to emerge as Secretary of State Henry Kissinger toured Western Europe presenting his version of what happened at the Moscow summit meeting.

As they listened, many West European diplomats candidly admitted that the subject is just too technical for them to absorb. A difficult Americans are bound to share.

Kissinger feels that there should be a national debate on the philosophy underlying America's strategic plans, just as he has been eager to engage the Russians on the nature of the problems behind the arms race. But as long as the technicalities of the Soviet and American positions remain secret—as they now can—actual debate is expected to be not only hard to understand, but imprecise in content. The facts, even when available, are hard to sort out.

When Kissinger tries, for example, to refute Gen. Henry M. Jackson's charge that he left a dangerous loophole in the existing interim agreement signed in 1972, many people say he loses them in technicalities about the difference in the kind of missiles that can be put aboard modern nuclear submarines and older diesel submarines, or about the relationship between warheads and missiles.

Lack of Data

Even experts not privy to the secret preparations for the talks with the Soviet Union say they have trouble following the arguments about "inequivalence" and "breakthrough figures" for example, because

needed statistical information is not available.

When these issues are discussed in general terms, as they usually are in public, even experts say there is no way to measure what effect specific proposals would really have on U.S. security. This has reportedly resulted in disagreement within the U.S. leadership not only about what kind of pact would be safe for the United States, but also what should be the yardstick for measuring safety.

And when the issues are discussed in terms of the available partial figures about numbers of missiles and warheads and future, untested weapons, the point of how to escape the danger of nuclear war and prevent the justifying for "absolute security" from consuming all else seems to get lost.

Confusion can often stem from the top. Kissinger has spoken out against the tendency of military leaders in both Washington and Moscow to suppose that the generals on the other side are getting all they want and that their own side must run twice as fast to keep up. He regards this view of each other as a distortion, almost Orwellian.

Exchanges Vowed

Kissinger has, in fact, confirmed that last week was set as the expiration date for a new proposed 10-year agreement because it would have been too ominous to propose the date of George Orwell's "1984," a story about a future totalitarian regime.

The dilemma produced by secrecy and technical complexity, forcing either judgment by ignorance or floundering in detail, was somewhat eased for Soviet and U.S. officials as a result of the Moscow summit talks. Some information was exchanged and further exchanges were pledged.

But many of the agreements reaching Moscow could obscure, rather than aid, future nuclear debate.

For example, two agreements on dismantling or redeploying nuclear weapons covered under the existing interim treaty went into great detail but were kept secret.

Kissinger said this was at the request of the Russians. Their reason for being willing to share sensitive nuclear secrets with the men who command the rival superpower, but not with the world at large, is believed to be the Moscow summit talks. Some information was exchanged and further exchanges were pledged.

Sen. Edward M. Kennedy recently asked the Russians to make public the principles of their nuclear strategy so as to help dispel suspicion in the West. He said the Russians told him their own people would not understand the drive for détente if discussions of nuclear rivalry and the arms race were also put before them.

The protocol on the past limiting underground testing, which, signed at the summit meeting, was another example of the sharing of nuclear affairs among Soviet and U.S. officials, but not publicly.

The agreement provides for an exchange of information on the underground testing sites each country uses to perfect its warheads, including geographical and geophysical details.

The purpose of exchanging this hitherto secret information is to enable each side to monitor tests conducted by the other without crossing national borders, and thus to make sure that the threshold limiting underground tests to a yield of 150 kilotons has not been violated.

The agreement to limit the deployment of submarine missiles, signed at the summit meeting, was another example of the sharing of nuclear affairs among Soviet and U.S. officials, but not publicly.

Such agreements provide secrets between opposing generals and their political commanders. But they also keep their true nature from the public eye, and debate.

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The City of Watches

By Jeffrey Robinson

NEVA (HT). The Germans insist they invented them in the 15th century, the Duke of Milan ordered one made some years before that. The French they were producing them before the Italians. What the case, the Swiss did not close to inventing the watch, they simply point out they have more than made or their late start about 1560, an has been marking time centuries. Astronomical clocks first used in China in 2000 Sundials showed up in 600 B.C. Then came timers, clepsydra water and even time-telling oil lamps.

The mechanical clock made its appearance at the beginning of the 14th century," according to Dante Gibertini, the 94-old curator of this city's museum, Le Musée de l'Horlogerie. "It was a first in the hour glass. Instead of or fluid pouring through and depending to note a time, weights and gravity substituted. Nearly two centuries later, someone replaced weight with a spring and a watch."

He says that, at first, watches were strictly a rich man's folly. They were too expensive for anyone, as each one had to be created to order. I have seen whether people who bought watches in those days were truly interested in the time of or rather in owning a luxury piece of jewelry. I can only see the latter, because that's what watches were then, jewelry.

Portraits of Buyer. These jewelry pieces in the museum are extraordinary, with upturned scenes and portraits that are most likely of the royal buyer. Some have cases the shapes of animals with birds inside that pop up as you open the watch. Some are cold inlaid along the edges pearls circling the tops. It took a while, Mr. Gibertini said, "but eventually, watches became reliable timepieces as well. And I firmly believe that was the significant contribution of the Swiss watchmaker. Swiss craftsmen were the first to insist on accuracy, as

they were and are devoted craftsmen of the highest caliber." By the beginning of the 18th century, the Swiss had invented and perfected the balance, giving them a commanding lead in precision and miniaturization of watches.

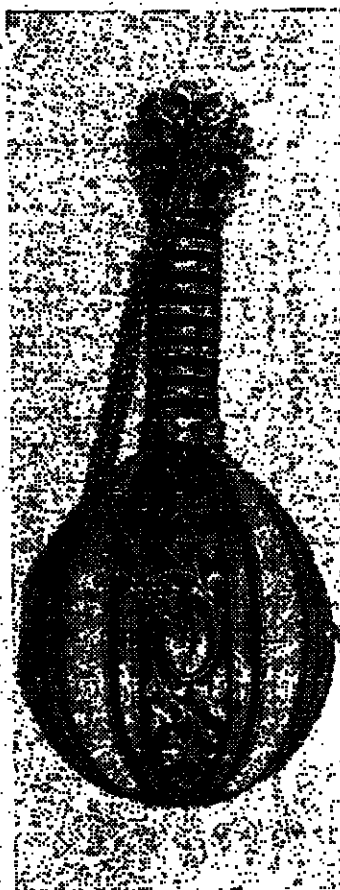
Today, the United States, Japan and France split the world's watch market, with the Swiss playing a minor role in total sales. But Mr. Gibertini adds, "When people come to Switzerland, they immediately think about watches. No other country can make that claim. Here watches are a matter of national pride. It's over 400 years of tradition. In this country, watches are taken seriously. Swiss watches are put into the elite class with mountain scenery and chocolate."

The museum, housed in the 17th-century Villa Malagnon, along the Route de Malagnon, in the center of Geneva, is said to have one of the most impressive watch collections in Europe. And although the idea behind the museum is to tell the story of Geneva's role in watchmaking, the pieces on view are by no means limited to Swiss watches. Among German, Italian and Oriental timepieces, French pendules and British automata, there are very rare works such as the German rectangular table clock, dated 1583, that dials up complex astronomical calculations.

24 Separate Actions

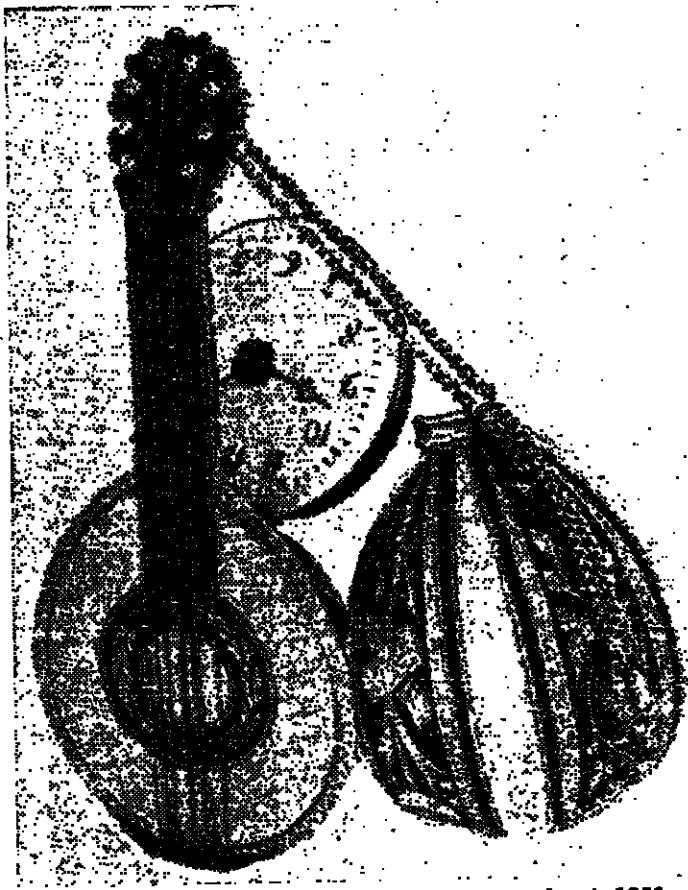
A special attraction of the museum is the hourly show put on by the most grandiose clock in the house, a 4-foot-10-inch masterpiece built in Geneva in 1711. It has 24 separate actions, including: the time, the season, the month, the quarter of the month, the day of the week, the phase of the moon, the position of the sun and the sign of the zodiac. It features 28 moving figures and four carved lions supporting the piece at the base.

"For obvious reasons," Mr. Gibertini said, "watches and clocks of this genre are almost never built any more. But that doesn't mean in Switzerland we're not maintaining our traditions. The process of seeking precision and accuracy has gone so far that we've replaced the spring with



Enameled watch in the form of a mandolin — made in Geneva about 1850.

energized quartz, dividing seconds into 3,192 vibrations. The little old, gray-haired Swiss watchmaker has given way to a new breed of white lab-coated craftsmen. But just look around. These days it's a rare person who doesn't have a watch. We've come a long way, since the days



when watches were strictly for decoration." Yet, notes the man who has spent more than 65 years writing about and working with watches, "It's rather funny that the most significant thing to happen to watches had little if anything to do with them as watches. Mass

production wasn't as important a turning point as what happened in 1910. That's got to be one of the most important dates in watch history. Most people never even think of it, but that's the year someone first took his time piece out of his pocket and strapped it onto his wrist."

PARIS FILMS

'Un Homme Qui Dort'—Arresting Experiment

By Thomas Quinn Curtiss

PARIS, July 9 (HT).—"Un Homme Qui Dort" has been awarded the 1974 Jean Vigo prize, named for a pioneer in French experimental cinematography, who died 40 years ago. God knows whether Vigo would have agreed with the reviewers who have been so deeply impressed with this new film, directed by Georges Perec and Bernard Queyenne. As an experiment, it certainly qualifies.

While taking his last exam, a student begins to doubt the necessity of his plans and activities and goes into a sort of hibernation. He stops seeing friends and speaking to acquaintances or writing to anyone and limits his life to the essentials. He dresses, he eats, he drinks Nescafé, reads not books but only Le Monde, and goes on long, solitary walks—neutral actions devoid of meaning. The only thing that matters to him is his indifference and his indifference to the world, empty streets, at night, boarding the Metro and buses at random and by frequenting cheap movie houses. He follows a perfectly balanced orbit between his garret and the city until he finds how limited this dreary, drastic program is, neutral indifference awakening a nervous anxiety. At the end he realizes that one cannot live "out" of time and "out" of the world and he undertakes the painful task of readjusting himself to the land of the living. No man is an island is the muted theme here.

It is a one-man show, with Jacques Spiesser, a sad-faced young actor, mutely gazing at the camera as he fidgets about his bleak quarters, is isolated in the Metro or pounds the pavements. The action is silent throughout, with the voice of a woman—conscience is feminine in French—commentating. She never stops talking, speaking to him, but failing to explain him fully to us. One concludes that he is a manic depressive. His withdrawal appears to stem from pathological languor rather than the desire for lonely philosophical contemplation. He would banish, it seems, all thoughts from his mind and operate only as a morose automaton. Such a case is of clinical interest, but it scarcely constitutes a sympathetic protagonist and one wearies of his dismal game.

Distress Signal

The technique of voice-over narration is almost inevitably a distress signal, denoting that the director is hard put to dramatize his material. In this instance, however, despite its constant presence, the voice-over does not clarify the proceedings sufficiently. We learn that the central and sole character is 25 and—a useless bit of information—that he has 29 teeth, but we are told nothing of his origins, his family, his past or the life from which he is so desperately trying to escape. Nor can he be counted as a representative of modern youth for he is too much the lone wolf, the defiant individualist, the sworn enemy of the herd, to be

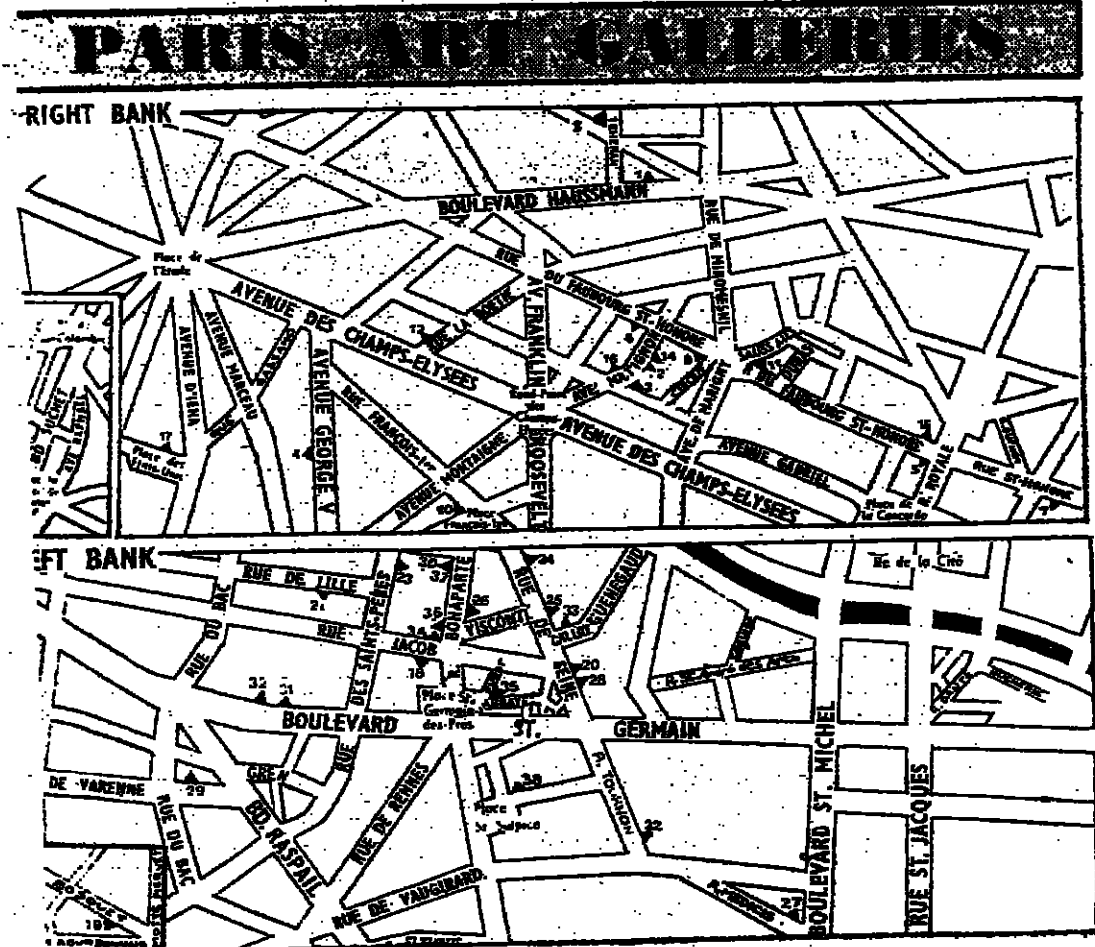
a symbol of a generation. His pictured bewilderment, only partially explained, bewilders the spectator.

Some will find the slowness of this film intolerable as others will admire its uncompromising severity. "Un Homme Qui Dort" is insistently of one piece, the photograph of Paris is stark black-and-white, reflecting the gloom, the banality, the isolated "here." As an experiment, it is arresting and it will be widely discussed. An English-speaking version—with Shelley Duvall speaking the text: it is recited in French by Ludmilla Mikael—has already been prepared. Thanks to the missing links, the film teases rather than satisfies, but it is one of the most striking of recent French films. It is being shown twice nightly at 8:15 and 10:15 at Le Seine-Cinéma.

The Soviet film, "Monologue," seen at the 1973 Cannes Festival, is now on view at La Clef and the Bulboquet (in Russian with French subtitles). The screenplay is a soap-opera about a renowned scientist whose private affairs have gone awry. His wife has left him in the early stages of his marriage, but he is consoled in his old age by the return of his daughter. The direction is heavy-handed, resulting in the action moving at a lagging pace, but like so many recent Russian motion pictures, it is distinguished by the fine quality of its acting: Mikhail Gionosky as the resigned man of science, Margarita Terekhova, as his faithless wife and Marina Neelova, the Cordelia to his Lear, contribute performances of exceptional persuasion.

Vincente Minnelli will be honored at the Avignon Festival, which begins Sunday, with a showing of all the films he has directed, 32 to date. The Hollywood director, a favorite in France, will attend the opening performance and has requested that the series start with his most cherished work, "The Band Wagon."

The "Paris en Films" season will have its premiere in the Pavillon de Marsan of the Louvre on July 11 at 8:30. The initial program will be composed of Georges Melies' "Paris 1888," the Kahn collection of "Paris 1928," "La Libération de Paris" edited from German newsreels of the Nazi retreat from the capital; "Modern Style a Paris" by Georges Franju; and a formerly unseen film by the Lumiere brothers, Jean Wiener will be at the piano to accompany the silent films.



RIGHT BANK	RIGHT BANK	LEFT BANK
GALERIE ARIEL Boulevard Haussmann, 22-23-24 Painters from the Gallery.	GALERIE TAMENAGA 18 Avenue Marignan (tel. 266-61-64) Permanently: ALPHEI, BASSOULET, CHAUBAY, FLAUNO, GUERAND.	(34) LEROUX FRANCOIS 15 R. de Seine, 236-64-25. Modern engravings & paintings.
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GALERIE MAEGHT 67 rue de Valenciennes (tel. 232-12-18) TAPES-MONOTYPES June 6-July 12	LA DEMEURE 6 P. Saint-Sulpice (tel. 236-74-74) CONTEMPORARY TAPES-PRINTS ADRISSON - NEW WEAVINGS.	(40) GALLERY RATIE 6 Rue Bonaparte (tel. 236-16-49) Permanently: ATLAN, CHACHOURE, HEALON, LANSKY, MATA, NATHAN, POLAKOFF, SURVAGE Lithographs by DALL, PICASSO and Young Painters.
GALERIE NICHIDO Rue St-Hippolyte (tel. 266-63-89) Painters from the gallery.	Galerie PAUL FACCHETTI 17 Rue de Lille (tel. 267-17-49)	(41) Galerie DENISE RENE Left Bank 196 Rue Saint-Germain (tel. 236-74-74) Tel. 236-74-74, 236-74-74, 236-74-74 Sculpture, Dailery, Toffoli, etc.
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NEWPORT IN NEW YORK Festival Ends on Profitable Note

By John S. Wilson

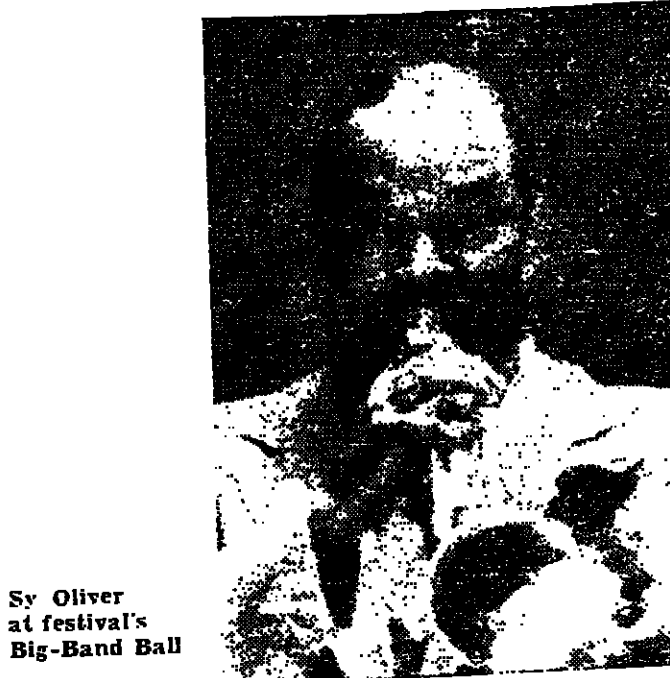
NEW YORK, July 9 (NYT).—The longest, most successful (in financial terms) Newport Jazz Festival in the 21-year history of the series came to an end Monday with a free, midday concert at the Lincoln Center Fountain Plaza by Kid Thomas's Preservation Hall Jazz Band. The concert, originally intended to be part of the series of free afternoon concerts held last week at Fortham University, could not be scheduled at that time. It was presented Monday instead as what George Wein, producer of the festival, called "a thank-you concert" for those who attended the festival, which ended its regular programming Sunday night. The concert extended the festival from 10 days to 11, making it the longest since the series was started with a two-day affair in Newport in 1954.

The traditional New Orleans Jazz of the Preservation Hall added a touch of balance to a festival which had given relatively little hearing to the older forms. With Kid Thomas providing a turning point as trumpeter, Emanuel Sayles giving the group a strong driving beat with his banjo and Charlie Hamilton stomping merrily every time he got a piano solo, the group ran a gamut from traditional blues and old pop tunes ("June Night") was a favorite to such "modern" material as Glenn Miller's hit, "In the Mood," which they approached in a surprisingly slow and stately manner.

Wiping Out Losses

This concert wound up a festival which, for the first time since it moved to New York in 1972, will show a substantial profit—between \$400,000 and \$150,000, according to Wein. This will all but wipe out the loss of more than \$150,000 incurred by the festival last year. In its first year in New York, 1972, it broke even.

Of the festival's 32 indoor events this year, 15 were com-



Sy Oliver at festival's Big-Band Ball

pletely sold out and another six were close to capacity. Eight concerts played to houses that were little more than half full and only three drew less than half a house. The boat rides with jazz bands on a Staten Island ferry, a perennial favorite, were extremely popular.

The Sell-Outs

From the point of view of attendance, there were only two unqualified disasters at this year's festival—a program of contemporary and avant-garde jazz called "Music of the New Breed" and a concert of the music of two big bands of the past, McKinney's Cotton Pickers and Tommy Dorsey's orchestra. Each played in Carnegie Hall almost 90 percent empty. Despite the vast difference in the types of music involved in the two concerts, they had one thing in common—both were held on Saturday afternoons.

The sell-outs included two midnight jam sessions at Radio City Music Hall, a program on "The Musical Life of Charlie Parker," solo concerts by Nina Simone and Sarah Vaughan, the Simone and Sarah Vaughan saluting first of two programs saluting jazz and the American song, and two big-band concerts (one with Stan Kenton and Maynard Ferguson, the other by Count Basie). There was relatively little at this was new or adventurous at this 21st Newport Jazz Festival. Most of the concert were built around established names with a proven following and, because several performers were usually involved in each concert, each event tended to have its ups and downs.

In view of the festival's losses last year, Wein's conservative approach to programming this year was understandable. But now that he has had his first big financial return with the festival, he is inclined to fling caution to the winds.

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urbing Bank
peculation

tion Is Expected
ter Herstatt Failure.

DNN, July 9 (AP-DJ)—It is nearly certain that West German authorities will limit foreign exchange speculation by banks, informed sources said today.

Finance Secretary Karl Otto Poehl said today that the ministry is investigating whether dealers in the forward market ought to be restricted following the collapse of Bankhaus Herstatt.

Finance Ministry officials are currently considering limiting banks forward "exposure" to 30 to 50 per cent of their capital.

Senior foreign exchange bankers said a limitation on operations of 30-50 per cent of bank capital would not cut large banks but "might kill business of small banks."

It is noted that a regulation of this type would have limited Herstatt's open position to 15 million to 20 million deutsche marks, a small amount.

Exposure is the amount of forward commitments to buy or sell that are not covered by equal opposite transactions. German banks' liability capital is the sum of their reserves and their first stock.

Herstatt was ordered into liquidation June 26 after authorities uncovered it had lost an estimated 480 million deutsche marks in speculation on the forward market.

The loss was more than twice the amount of Herstatt's 200 million deutsche marks of capital. The sources said that there is no doubt forward exposure will be limited. The main question is what percentage of bank capital should be used as a limit.

More discussion among the ministry, the Bundesbank and the federal banking supervisory bureau will be necessary before this action can be settled, the sources said.

The planned new regulation could be used in conjunction with recent Bundesbank directives raising banks to furnish authorities with monthly reports on their forward foreign exchange trades. First reports by banks under the directive will cover forward business in July.

U.S. Banks' Euromark Role Said Studied

WASHINGTON, July 9 (Reuters)—The administration is studying a proposal which would broaden the capital base of Eurodollar markets and give banks a more competitive role in the Eurodollar market.

An informed administration official said today the plan is under study and has not formally been submitted to the Federal Reserve Board for its review.

The plan would modify Regulation M which relates to the foreign activities of national banks and covers Eurodollar activities.

Under current Fed. regulations, 8 per cent reserve requirements are levied on funds raised by banks overseas. These requirements do not apply to U.S. banks at all.

Under the plan, U.S. banks at all would be subject to the same reserve requirements as foreign banks. The plan also would allow U.S. banks to hold their assets in the form of foreign securities.

Under the plan, foreign branch banks would be subject to the same reserve requirements as U.S. banks. The plan also would allow U.S. banks to hold their assets in the form of foreign securities.

FINANCIAL NEWS AND NOTES

VW Sales Fell 18% in First Half

Worldwide sales of Volkswagenwerk declined 17.5 per cent to 1.03 million units during the first half of this year from the like period of 1973. Rudolf Leiting, chairman, notes that sales of the parent company declined 17.9 per cent to 880,000 units, while sales of subsidiaries rose 1.1 per cent to 150,000 units.

The main problem area remains the United States, where sales have fallen 30 per cent this year. A decision on whether to build a production plant may be made by autumn, he notes. A real improvement cannot be expected in the near term despite intermittent signs of improvement, he warns, adding that poor sales and sharply rising costs make a VW loss in 1974 a distinct possibility. The new model range of VW cars, encompassing four basic models, "should be on the road by 1976," he says.

Imports Lose in French Auto Market

Foreign penetration of the French auto market in May declined slightly to 18.43 from 18.89 per cent in April, and was down from 24.94 per cent in May 1973. Overall registrations of new passenger and commercial vehicles in May amounted to 197,000 units, up from 153,708 in April but down from 158,424 a year earlier. Overall registrations for the first five months totaled 738,512 units, down from 783,739 in the 1973 period. Foreign models accounted for 18.05 per cent, compared with 19.86 per cent a year earlier. Fiat models headed the list of new foreign registrations in the first five months with 32,039 units, up 2.7 per cent from

a year earlier. Ford was second with 25,246 units, down 38 per cent followed by Volkswagen with 19,197 units, a drop of 18 per cent.

Fuji, Rockwell to Build Plane

Fuji Heavy Industries has signed an agreement with Rockwell International of the United States to develop a twin-engine, six to eight-seat business aircraft. Fuji says both firms hope to start mass production of the aircraft in a few years and will spend about \$10 million on the project. The Japanese firm will design and test the aircraft, while Rockwell will supervise interior fittings and optional equipment. Fuji will sell the aircraft in the Far East and Rockwell in other areas.

Bell & Howell Expects Lower Net

Bell & Howell expects second-quarter earnings to drop to between 78 cents and 87 cents a share, compared with 89 cents a year ago. Donald Frey, chairman, says the prediction includes about 14 cents a share from two non-recurring transactions. There will be a \$1.5 million after-tax gain from the sale of patents to Kodak and the write-off of about \$700,000 net after tax of unauthorized copyright expense and other deferred charges on its home study accounting courses. Gains on specialized business equipment and supplies and learning systems and materials sales were not enough to offset a loss from the company's U.S. consumer photo-products business, he says. The company was also hurt by higher interest rates and the continued substantial decline in earnings from Bell & Howell's schools.

As Court Rules Against Capital Increase

Italian State Bank Confirms Sindona Loan

ROME, July 9 (AP-DJ)—Banca di Roma confirmed today it has lent \$100 million to financier Michele Sindona and received a 51 per cent interest in Mr. Sindona's major banking interests in Italy and half his controlling shares in Societa Generale Immobiliare as guarantee for the loans.

At the same time the central director of Banca di Roma, Giovanni Battista Pignone, has been named to replace Carlo Bordini as managing director of the Sindona-controlled Banca Unione.

That bank and Banca Privata Finanziaria are the banking interests that Banca di Roma will receive as guarantee for the \$100-million loan.

The two Sindona banks are to merge on Aug. 5 under the name Banca Privata Italiana.

A Banca Unione official, who declined to be named, said he welcomed the naming of Mr. Pignone as managing director and also noted that if the Banca di Roma loan is not repaid the state-controlled bank will become its largest shareholder.

The official said the "presence of the big state bank" would "calm" any depositors at Banca Unione who might be nervous about reports that the bank is "in difficulty."

These reports have grown in

recent days as Mr. Sindona's problems with Franklin National Bank of New York became more complicated. That bank has not tens of millions of dollars this year in what management has called unauthorized foreign exchange dealings.

Mr. Sindona also holds 400 million shares in Generale Immobiliare, only 20 per cent of the total outstanding but enough for effective control. Half of these have been put up as collateral for the loan.

Banca di Roma said the loan and the collateral of Generale Immobiliare shares offered would supply the Sindona banks "with the liquidity they need" and "keep in Italy control of the important company."

Another aspect of the weakening position of Mr. Sindona in Italy was a court decision yesterday annulling two of three recent capital increases by Finambro, a financing concern controlled by Mr. Sindona.

The annulment means that Finambro must greatly reduce its debt load, since the amount of debts that a company can carry must by law be kept in strict relationship to the amount of registered capital. There are no recent figures available on the amount of debt carried by Finambro.

The president of Finambro, Orio Giacchi, describes the concern as the "financial heart" of Generale Immobiliare and indirectly of the entire Sindona group.

Finambro, the court records showed, won government approval on June 6, 1973, for two capital increases—the first from 1 million lire to 500 million lire, and the second to 800 million lire from 500 million. A third increase was approved Aug. 2, to 160 billion lire.

However, the court ruled that the second and third of these increases were approved on the basis of "certain errors of form."

Furthermore, the court ruled, the last of the three raises was sought and approved before the second had been carried out, and shareholders approval had not been sought or obtained for the last increase.

It is believed to have been partly anticipation of these rulings that the Sindona group sought and obtained the loan of \$100 million from Banca di Roma.

BP Net Said Boosted by U.S. Oil Firm

Ohio Senator Charges Consumers Paid More

WASHINGTON, July 9 (AP-DJ)—Sen. Howard Metzenbaum, D-Ohio, said today that figures supplied by the Federal Energy Administration (FEA) by Standard Oil Co. of Ohio substantiate his charge that the firm has been funneling profits to a foreign affiliate.

Sen. Metzenbaum said that even though Sohio has denied it paid British Petroleum Co. a higher price for crude oil than the prevailing world market, the figures show otherwise.

He said the FEA figures show that in January, Sohio paid BP an average \$8.20 per barrel for Iranian light crude oil, compared with \$4.73 a barrel for the same oil from different suppliers.

In February, it paid BP an average \$8.43 a barrel, while making no purchases from other suppliers, he said.

In March, he said, Sohio paid BP an average \$8.34 and other suppliers an average \$6.43 a barrel.

"By bloating the prices it pays its foreign affiliate, Sohio has been bilking the public," Sen. Metzenbaum said in a statement. "This is a gross example of the evils of self-dealing."

He quoted Sohio president Alton Whitehouse as blaming the price disparity on delays in deliveries caused by the Middle East war.

"Though Sohio offers an explanation, however incomplete, the significance is that it is the first time the company has admitted it did, indeed, pay higher prices to British Petroleum than it did to other suppliers," Sen. Metzenbaum said.

The price disparity in crude oil purchases shows why Sohio's pump prices are 6.5 per cent greater than that of its competitors and why its first-quarter profits increased 28 per cent while British Petroleum's jumped an incredible 491 per cent," he said.

BP is scheduled to acquire a controlling interest in Sohio in 1977.

N.Y. Prices Rally in Mixed Trading

NEW YORK, July 9 (Reuters).—Rallying from a three and a half year low yesterday, New York Stock Exchange prices climbed onto the winning track about an hour from the final gong today and ended mostly higher despite some softening in last minute trading.

The better tone was attributed chiefly to technical factors, but some analysts suggested market sentiment may have been buoyed by a report that President Nixon will huddle with business leaders and economists at the White House on Thursday to discuss inflation.

The Dow Jones industrial average gained 17.3 points to 772.9. It was up 5 points in early trading, unchanged in mid-session, and ahead over 6 points again before sliding toward the close.

Advanced and declining issues changed leads throughout the session, with declines exceeding gains about 750 to 850 at the close.

Trading was sporadically active. Volume totaled 15.58 million shares, compared with 15.51 million yesterday.

Polaroid, among the hardest hit glimmers in recent weeks, reversed course, adding 1 7/8 to 25 3/8.

McDonald's Corp., a volume leader, gained 7/8 to 39 1/4 after having plunged 9 1/4 yesterday on a published report which raised questions about the firm's accounting procedures. McDonald's had called the report "distorted and misleading."

Other food-chain issues also recovered in part from yesterday's losses, which analysts related to

the sharp selling in McDonald's. Foodservice gained 1/2 to 12 1/2. Dunlop's was 10 3/4, up 5/8. Pizza Hut 17 1/2, up 1 1/8, and Gino's 10, ahead 1/2.

Safeway Stores gained 1 3/4 to 25. The company reported that 12 weeks June 15 net rose to \$1.11 a share from 85 cents a year earlier.

IBM, which unveiled a new systems program, picked up 2 3/4 to 201 3/4.

Eastman Kodak rose 3/4 to 99 3/4. Yesterday, Kodak said it agreed with Bell & Howell to a settlement of an anti-trust suit filed by B&H against Kodak in 1973.

Dow Chemical picked up 1 3/4 to 63. Walgreens 1 1/8 to 55 1/2. J.R. McDermott 1 1/3 to 58, and Caterpillar Tractor 1 to 59 1/4.

However, Walt Disney slumped 4 7/8 to 33. Superior Oil 1 1/2 to 149 1/2. United Aircraft 2 to 24 1/4, and H.J. Heinz 1 to 41.

Prices declined in moderate trading on the American Stock Exchange. The Amex index fell 0.95 to 74.79.

Imperial Oil "A" dropped a point to 77 3/4, but Syntex added 1 1/8 to 38 1/2.

On the NASDAQ index of stocks traded over-the-counter, the industrial average fell 0.40 to 60.50.

Nixon Calls Business Heads To Discuss Fight on Inflation

WASHINGTON, July 9 (AP).—President Nixon is calling more than a score of the nation's business leaders and best-known economists to a White House meeting Thursday to discuss inflation, his economic policy coordinator said today.

Presidential counselor Kenneth Rush disclosed plans for the meeting after he and other economic advisers met for about 90 minutes with Mr. Nixon to discuss ways to cope with inflation.

Mr. Rush himself has been holding White House meetings with business and labor representatives, but the session on Thursday marks the first personal involvement by Mr. Nixon in the administration's effort to deal with double-digit inflation.

Mr. Rush said there is no intention of bringing pressure to bear on specific industries or labor unions to hold back price or wage increases. Rather, he said, the objective is to consult with all segments of the economy on ways to deal with the "all-pervasive problems of inflation."

Meanwhile, Treasury Secretary William Simon said today that the biggest worry he has about the economic future is "whether or not the American people and their government will have the sustained political will to control inflation."

He reiterated that the anti-inflation battle may take years to conclude and he urged that an "inflation-proof Congress" be elected this fall. Mr. Simon made his remarks in a speech to the U.S. Chamber of Commerce.

"We have increased government spending faster than we have been willing to pay for it through taxation," he said, adding that the government has also created too much money and new credit "so that more borrowing and investment have taken place than could be financed out of savings." "This has pushed the demand for goods above the capacity to produce those goods," he said. "Our eyes have been bigger than our stomachs," he asserted.

French Output Up 3%

PARIS, July 9 (AP-DJ).—French industrial production rose three per cent in May, the Finance Ministry announced today. The seasonally adjusted index now stands at 128.

Company Reports

General Electric		Kroger	
Quarter	1974 1973	Quarter	1974 1973
Revenue (millions)	2,419.4 2,560.9	Revenue (millions)	1,097.59 957.4
Profits (millions)	148.9 137.3	Profits (millions)	8.09 5.54
First Half		Per Share	0.60 0.41
Revenue (millions)	6,328.7 5,454.3	Revenue (millions)	2,161.40 1,885.51
Profits (millions)	371.2 251.7	Profits (millions)	17.59 9.15
Per Share	1.30 0.88	Per Share	1.30 0.68
J.P. Morgan		Marine Midland Bank	
Quarter	1974 1973	Quarter	1974 1973
Revenue (millions)	443.43 435.6	Revenue (millions)	10.07 9.45
Profits (millions)	11.13 9.96	Profits (millions)	0.80 0.76
Per Share	0.39 0.37	Profits (millions)	0.99 0.75
First Half		Per Share	0.80 0.77
Revenue (millions)	84.58 471.13	Revenue (millions)	20.45 19.15
Profits (millions)	4.20 4.91	Profits (millions)	1.63 1.53
Per Share	0.79 0.70	Profits (millions)	0.234 0.193
First Half		Per Share	1.79 1.54
Revenue (millions)	162.07 119.0		
Profits (millions)	1.13 1.13		
Per Share	0.27 0.27		

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